

Form W-5, Earned Income Credit Advance Payment Certificate

2002 Form W-5



Department of the Treasury
Internal Revenue Service

Instructions

Changes To Note

Beginning in 2002, new rules apply to determine who is a qualifying child for purposes of the earned income credit (EIC). See page 2. Also, nontaxable earned income and modified adjusted gross income (MAGI) are no longer taken into account to determine who is eligible for the credit or the amount of the credit. Taxable earned income and AGI are used instead.

Purpose

Use Form W-5 if you are eligible to get part of the EIC in advance with your pay and choose to do so. See **Who Is Eligible To Get Advance EIC Payments?** below. The amount you can get in advance generally depends on your wages. If you are married, the amount of your advance EIC payments also depends on whether your spouse has filed a Form W-5 with his or her employer. However, your employer cannot give you more than \$1,503 throughout 2002 with your pay. You will get the rest of any EIC you are entitled to when you file your tax return and claim the EIC.

If you do not choose to get advance payments, you can still claim the EIC on your 2002 tax return.

What Is the EIC?

The EIC is a credit for certain workers. It reduces the tax you owe. It may give you a refund even if you do not owe any tax.

Who Is Eligible To Get Advance EIC Payments?

You are eligible to get advance EIC payments if **all three** of the following apply.

1. You expect to have at least one qualifying child. If you do not expect to have a qualifying child, you may still be eligible for the EIC, but you **cannot** receive advance EIC payments. See **Who Is a Qualifying Child?** on page 2.

2. You expect that your 2002 earned income and AGI will each be less than \$29,201 (\$30,201 if you expect to file a joint return for 2002). Include your spouse's income if you plan to file a joint return. As used on this form, **earned income** does not include amounts inmates in penal institutions are paid for their work, amounts received as a pension or annuity from a nonqualified deferred compensation plan or a section 457 plan, or nontaxable earned income.

3. You expect to be able to claim the EIC for 2002. To find out if you may be able to claim the EIC, answer the questions on page 2.

Workfare payments. These are cash payments certain people receive from a state or local agency that administers public assistance programs funded under the Federal Temporary Assistance for Needy Families (TANF) program in return for certain work activities such as (a) work experience activities (including work associated with remodeling or repairing publicly assisted housing) if sufficient private sector employment is not available or (b) community service program activities.

How To Get Advance EIC Payments

If you are eligible to get advance EIC payments, fill in the 2002 Form W-5 at the bottom of this page. Then, detach it and give it to your employer. If you get advance payments, you **must** file a 2002 Federal income tax return.

You may have only **one** Form W-5 in effect at one time. If you and your spouse are both employed, you should file separate Forms W-5.

(continued on page 2)

▼ Give the bottom part to your employer; keep the top part for your records. ▼

Detach here

Form W-5	Earned Income Credit Advance Payment Certificate	OMB No. 1545-1342
Department of the Treasury Internal Revenue Service	<p>► Use the current year's certificate only.</p> <p>► Give this certificate to your employer.</p> <p>► This certificate expires on December 31, 2002.</p>	2002
Print or type your full name		Your social security number
<p>Note: If you get advance payments of the earned income credit for 2002, you must file a 2002 Federal income tax return. To get advance payments, you must have a qualifying child and your filing status must be any status except married filing a separate return.</p>		
<p>1 I expect to have a qualifying child and be able to claim the earned income credit for 2002, I do not have another Form W-5 in effect with any other current employer, and I choose to get advance EIC payments . <input type="checkbox"/> Yes <input type="checkbox"/> No</p>		
<p>2 Check the box that shows your expected filing status for 2002:</p> <p><input type="checkbox"/> Single, head of household, or qualifying widow(er) <input type="checkbox"/> Married filing jointly</p>		
<p>3 If you are married, does your spouse have a Form W-5 in effect for 2002 with any employer? <input type="checkbox"/> Yes <input type="checkbox"/> No</p>		
Under penalties of perjury, I declare that the information I have furnished above is, to the best of my knowledge, true, correct, and complete.		
Signature ►		Date ►

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